USAID Grant Agreement No. 306-05-10

AMENDMENT NUMBER TEN

TO THE STRATEGIC OBJECTIVE GRANT AGREEMENT

BETWEEN THE

UNITED STATES OF AMERICA

AND

THE ISLAMIC REPUBLIC OF AFGHANISTAN (IROA)

FOR

THE STRATEGIC OBJECTIVE OF A THRIVING ECONOMY LED BY THE PRIVATE SECTOR

Dated as of September 19, 2007

AMENDMENT NUMBER TEN

TO

THE STRATEGIC OBJECTIVE GRANT AGREEMENT

AMENDMENT NUMBER TEN TO THE STRATEGIC OBJECTIVE GRANT AGREEMENT between the Government of the United States of America, acting through the United States Agency for International Development ("USAID"), and the Government of the Islamic Republic of Afghanistan (hereinafter referred to as the "Grantee" or the "IROA"), acting through the Ministry of Finance, dated as of September 14, 2007

WHEREAS, the Grantee and USAID entered into a Strategic Objective Grant Agreement ("SOAG") for the Strategic Objective of "A Thriving Economy Led by the Private Sector" (USAID Grant Agreement No SOAG-306-05-00), dated September 19, 2005 and subsequently amended that SOAG on

- September 30, 2005 (Amendment No. 1),
- April 6, 2006 (Amendment No 2),
- May 11, 2006 (Amendment No 3),
- June 28, 2006 (Amendment No 4),
- September 18, 2006 (Amendment No 5),
- September 30, 2006 (Amendment No 6),
- April 07, 2007 (Amendment No 7),
- July 2, 2007 (Amendment No 8) and,
- July 23, 2007 (Amendment No 9)

The SOAG as so amended is referred to hereinafter as the "Agreement "

WHEREAS, USAID and the Grantee desire to further amend the Agreement to (a) increase the USAID contribution by **One Hundred Forty Four Million Two Hundred Thirty One Thousand Two Hundred** United States (U S) Dollars **(U.S. $144,231,200.00)**, and (b) update the illustrative financial plan to cross reference and cross-walk the original SOAG budget information against the new USAID standardized program budget structure

NOW, THEREFORE, the Parties hereto hereby agree that the Agreement shall be amended as follows

1 The first sentence in Section 3 1(a) of the Agreement is deleted in its entirety and the following is substituted in lieu thereof "(a) The Grant To help achieve the Objective set forth in this Agreement, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, hereby grants to the Grantee under the terms of this Agreement not to exceed **One Billion One Hundred Sixty Million Five Hundred Forty One Thousand One Hundred Twelve and Eighty-Two Hundredths** United States (U S) Dollars **(U.S. $ 1,160,541,112.82)** (the 'Grant') "

2 The illustrative financial plan set forth in Attachment 1 to Annex 1 to the Agreement is deleted and the updated illustrative financial plan attached hereto as Attachment A and Attachment B to this Amendment is substituted in lieu thereof

Except as further amended herein, all other terms and conditions of the Agreement remain in full force and effect This Amendment is prepared in both English and Dari (capitalized terms not defined in this Amendment shall have the meanings ascribed thereto in the

Agreement). In the event of ambiguity or conflict between the two versions, the English language version will control

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Amendment Number Ten to be signed in their names and delivered as of the day, month and year first written above.

FOR THE UNITED STATES OF AMERICA

By _____
Name. Robin Phillips
Title Mission Director,
USAID/Afghanistan

FOR THE ISLAMIC REPUBLIC OF AFGHANISTAN

By _____
Name Anwar-ul-Haq Ahady
Title Minister of Finance

Appropriation ES SUP 2007/2008 (ESF)
Amount $50,000,000

Appropriation ES NOA 2007/2008 (ESF)
Amount $12,000,000

Appropriation. DV NOA 2007/2008 (DA)
Amount $82,231,200

Attachment A

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010

Amendment No. 10

In Thousands of U.S. Dollars

Objective and Activities	Amount Obligated prior to Amendment No. 10	Amount Obligated in Amendment No. 10	Cumulative Obligations in FY 2005 - FY 2007 *	Amount Remaining to be Obligated in FY 2007 - FY 2010 **	Total Estimated Contribution
A THRIVING ECONOMY LED BY THE PRIVATE SECTOR **USAID Grant Agreement No. SOAG-306-05-00**					
Rehabilitate the rural economy	**260,003**	**106,297**	**366,300**	**668,201**	**1,034,501**
Accelerate market-led growth in agriculture ***	60,420	41,297	101,717	182,683	284,400
Accelerate rural development to generate alternative livelihoods —	199,583	65,000	264,583	485,518	750,101
Increase Incomes through Economic Growth *	**113,667**	**31,134**	**144,801**	**306,988**	**451,789**
Expand Improved Access to Economic Infrastructure	**617,977**	**6,800**	**624,777**	**634,163**	**1,258,940**
Stabilize Energy Services and Make them Affordable and More Accessible ***	235,422	2,000	237,422	367,026	604,448
Expand and Improve Access to Transportation	369,127	3,500	372,627	57,665	430,292
Expand and Improve Access to Water Supplies and Sanitation	13,428	1,300	14,728	209,472	224,200
USAID Program Support	**24,663**	**-**	**24,663**	**18,257**	**42,920**
TOTAL OBJECTIVE 5:	**1,016,310**	**144,231**	**1,160,541**	**1,627,609**	**2,788,150**

*NOTE * — References to "FY" refer to the USG fiscal year*

*NOTE ** — These funds are subject to the availability of funds to USAID and the other conditions set forth in Section 3 1 (b) of the Agreement*

*NOTE *** — The illustrative financial plan previously included a line item for "Pre-existing Mortgages", however, the funds in that line item are now included in the relevant programmatic line items indicated above*

Attachment B

ILLUSTRATIVE FINANCIAL PLAN FOR FY 2005 TO FY 2010
Amendment No. 10
In Thousands of U.S. Dollars

bjective	Program Area		Program Element		Old Activity/Intermediate Results (IR) Title	Amount Obligated prior to Amendment No 10 *	Amount Obligated in Amendment No 10	Cumulative Obligations in FY 2005 - FY 2007**	Amount Remaining to be Obligated in FY 2007 - FY 2010***	Total Estimated Contribution
A THRIVING ECONOMY LED BY THE PRIVATE SECTOR										
USAID Grant Agreement No SOAG-306-05-00										
Peace and Security		Counter Narcotics	142	Alternative Development & Alternative Livelihoods	Rehabilitate the Rural Economy Accelerate Rural Development to generate Alternative	199,583	64,460	264,043	486,058	750,101
			145	Program Support (Narcotics)	USAID Program Support	12,190	540	12,730	8,730	21,460
						211,773	**65,000**	**276,773**	**494,788**	**771,561**
Investing in People	31	Health	318	Water Supply and Sanitation	Expand and Improve Access to Water Supplies and Sanitation	13,428	1,300	14,728	209,472	224,200
						13,428	**1,300**	**14,728**	**209,472**	**224,200**
Economic Growth	2	Trade and Investment	421	Trade and Investment Enabling Environment	Trade and Investment Enabling Environment	4,000	26,116	30,116	19,884	50,000
			423	Program Support (Trade)	Program Support (Trade)	70	130	200	4,800	5,000
	4	Infrastructure	441	Modern Energy Services	Stabilize Energy Services and Make them Affordable and More Accessible	235,422	2,000	237,422	367,026	604,448
			443	Transport Services	Expand and Improve Access to Transportation	369,127	3,500	372,627	57,665	430,292
			444	Infrastructure Program Support	USAID Program Support	12,473	-	12,473	8,987	21,460
	5	Agriculture	451	Agriculture Enabling Environment	Agriculture	60,420	8,485	68,905	115,495	184,400
			452	Agricultural Sector productivity	Agriculture	-	16,762	16,762	33,238	50,000
			453	Program Support (Agriculture)	Agriculture	-	1,050	1,050	48,950	50,000
	6	Private Sector Competitiveness	461	Business Enabling Environment	Business Enabling Environment	102,769	2,000	104,769	242,020	346,789
			464	Program Support (Private Sector)	Program Support (Private Sector)	30	200	230	4,770	5,000
	7	Economic Opportunities	471	Inclusive Financial Markets	Inclusive Financial Markets	6,798	2,521	9,319	15,681	25,000
			475	Program Support (Econ)	Economic growth	-	167	167	4,833	5,000
	8	Environment	481	Natural Resources and Biodiversity	Biodiversity Conservation & Reforestation	-	15,000	15,000	-	15,000
						791,109	**77,931**	**869,040**	**923,349**	**1,792,389**
TOTAL OBJECTIVE 5						**1,016,310**	**144,231**	**1,160,541**	**1,627,609**	**2,788,150**

*'OTE * --- In the absence of a detailed audit of prior obligations executed before Amendment No 10, amounts for "Program Support" have been attributed equally between Program Elements 1 4 Counter narcotics and 4 4 Infrastructure*
*'OTE ** -- References to "FY" refer to the USG fiscal year*
*'OTE *** -- These funds are subject to the availability of funds to USAID and the other conditions set forth in Section 3 1 (b) of the Agreement*